



Capcom Co., Ltd.
(Tokyo and Osaka Exchanges, 1st section, 9697)

**Additional information for results of operations
in fiscal year ended March 31, 2010**

Forward-looking Statements

Information in these materials concerning strategies, plans, outlooks and all other items except historical facts are forward-looking statements. These statements are based on certain assumptions that use reasonable judgments in accordance with information that is currently available. Actual performance may differ significantly from these statements for a variety of reasons.

The operating results of all companies in the video and arcade game business may be highly volatile due to shifts in market conditions caused by changing user needs and other factors. Factors that may affect operating results include: 1) the ability to introduce hit products, and the volume of sales, in the home video games business, which accounts for the majority of sales; 2) progress in developing new home video games; 3) the popularity of home video game players; 4) sales outside Japan; 5) changes in stock prices and foreign exchange rates; 6) alliances with other companies concerning product development, sales and other operations; and 7) changes in market conditions.

Please note that there are many other factors that can have an effect on operating results.



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1. Consolidated Income Statements

Fiscal Year 2009 (Apr. 09-Mar. 10)

FY 2009 Consolidated Financial Summary

(Millions of Yen)

| | 2009 /3 | 2010 /3 | Difference |
|-------------------------|---------|---------|------------|
| Net sales | 91,878 | 66,837 | -25,041 |
| Operating income | 14,618 | 5,587 | -9,031 |
| Ordinary income | 13,808 | 5,530 | -8,278 |
| Net income | 8,063 | 2,167 | -5,896 |

There were large declines in sales and earnings in FY2009 due to the absence of major titles in the core Home Video Games business

FY 2009 Consolidated Financial Summary

(Millions of Yen)

| | 2010/3Plan | 2010 /3 | Difference |
|-------------------------|------------|---------|------------|
| Net sales | 65,000 | 66,837 | 1,837 |
| Operating income | 6,000 | 5,587 | -413 |
| Ordinary income | 5,000 | 5,530 | 530 |
| Net income | 2,000 | 2,167 | 167 |

Operating income was slightly below the revised forecast announced on December 22, 2009 but sales, ordinary income and net income were all generally in line with this forecast

Highlights of FY 2009 Consolidated Performance (1)

(Millions of Yen)

| | 2009 /3 | 2010/3 | Difference |
|------------------|---------|--------|------------|
| Net sales | 91,878 | 66,837 | -25,041 |

Sales in the Home Video Games business were down 72.7% because of postponements in the launches of several major titles: “Lost Planet 2”, “Super Street Fighter IV” and “Monster Hunter Tri” (overseas)

Highlights of FY 2009 Consolidated Performance (2)

(Millions of Yen)

| | 2009 /3 | 2010/3 | Difference |
|-------------------------|---------|--------|------------|
| Operating income | 14,618 | 5,587 | -9,031 |

Earnings down sharply mainly because releases of major titles in the Home Video Games business were pushed back

The Arcade Operations business and the Contents Expansion business did not contribute to earnings because of poor market conditions and an insufficient volume of products and titles

(Millions of Yen)

| | 2009 /3 | 2010/3 | Difference |
|------------------------|---------|--------|------------|
| Ordinary income | 13,808 | 5,530 | -8,278 |

Ordinary income was about the same because non-operating income and expenses offset each other

Highlights of FY 2009 Consolidated Performance (3)

(Millions of Yen)

| | 2009 /3 | 2010/3 | Difference |
|-------------------|---------|--------|------------|
| Net income | 8,063 | 2,167 | -5,896 |

Extraordinary losses: 4,639 million yen

- **Losses were recorded for business restructuring expenses in Pachinko & Pachislo business and Arcade related business**

Income taxes-from previous fiscal year: -1,761 million yen

- **There was a refund of Income taxes-from previous fiscal year due to a mutual agreement with U.S. tax authorities concerning a revision disposition based on the transfer pricing tax system**



2. Segment Information

Fiscal Year 2009 (Apr. 09-Mar. 10)

FY 2009 Business Segment Summary

Net sales by business segment

(Millions of Yen)

| | 2009 /3 | 2010/3 | Difference |
|---------------------------|---------|--------|------------|
| Home Video Games | 62,892 | 44,015 | -18,877 |
| Arcade Operations | 13,509 | 11,985 | -1,524 |
| Arcade Games sales | 8,023 | 2,280 | -5,743 |
| Contents Expansion | 4,628 | 5,819 | 1,191 |
| Others | 2,824 | 2,736 | -88 |
| Total | 91,878 | 66,837 | -25,041 |

Sales and earnings were down sharply primarily in the Home Video Games business (More information about individual businesses and plans are provided in the separate presentation on business strategies and plans)

Sales and earnings (return to profitability) improved in the Contents Expansion business because of an upturn in performance of the Pachinko & Pachislo business.

FY 2009 Geographic Segment Summary (Japan)

(Millions of Yen)

| | | 2009/3 | 2010/3 | Difference |
|-------|------------------|--------|--------|------------|
| Japan | Net sales | 54,193 | 47,269 | -6,924 |
| | Operating income | 13,198 | 11,775 | -1,423 |
| | Operating margin | 24.4% | 24.9% | - |

Performance was supported by repeat sales of titles released in the previous fiscal year, the “Monster Hunter” series, and sales of new small and midsize titles in Home Video Games business

The profit margin improved because of a higher share of sales from low-cost, inexpensive games and repeat sales in Home Video Games business

FY 2009 Geographic Segment Summary (North America)

(Millions of Yen)

| | | 2009/3 | 2010/3 | Difference |
|---------------|------------------|--------|--------|------------|
| North America | Net sales | 21,851 | 10,825 | -11,026 |
| | Operating income | 4,054 | -2,072 | -6,126 |
| | Operating margin | 18.6% | -19.1% | - |

Sales and earnings fell sharply mainly because of postponements in launches of major titles targeting overseas markets and weak sales of some new titles

There was a loss despite higher sales of “Resident Evil 5” and “Street Fighter IV”, which were released late in the previous fiscal year, because sales were insufficient to offset fixed expenses.

FY 2009 Geographic Segment Summary (Europe)

(Millions of Yen)

| | | 2009/3 | 2010/3 | Difference |
|--------|------------------|--------|--------|------------|
| Europe | Net sales | 14,167 | 7,813 | -6,354 |
| | Operating income | 1,556 | 136 | -1,420 |
| | Operating margin | 11.0% | 1.7% | - |

As in North America, an insufficient product lineup caused by the postponement of major title launches along with weak sales of new titles caused large declines in sales and earnings.



3. Consolidated Balance Sheet Fiscal Year 2009 (Apr. 09-Mar. 10)

FY 2009 Summary Consolidated Balance Sheet

(Millions of yen)

| | 2009/3 | 2010/3 | Difference |
|---|---------|--------|------------|
| Current assets | 78,806 | 61,303 | -17,503 |
| Fixed assets | 27,404 | 25,318 | -2,086 |
| Total assets | 106,210 | 86,621 | -19,589 |
| Current liabilities | 38,415 | 25,211 | -13,204 |
| Long-term liabilities | 8,445 | 7,453 | -992 |
| Total liabilities | 46,861 | 32,665 | -14,196 |
| Total net assets | 59,349 | 53,956 | -5,393 |
| Total liabilities and net assets | 106,210 | 86,621 | -19,589 |
| (Reference) | | | |
| Net cash | 6,053 | 11,262 | 5,209 |

Highlights of FY 2009 Consolidated Balance Sheet (1)

(Millions of yen)

| | 2009/3 | 2010/3 | Difference |
|--------------------------------------|--------|--------|------------|
| Notes and accounts receivable, trade | 27,894 | 6,288 | -21,606 |
| Work-in-progress | 2,097 | 183 | -1,914 |
| Raw materials and supplies | 2,745 | 1,698 | -1,047 |
| Work-in-progress for game software | 10,432 | 14,333 | 3,901 |

- (1) Notes and accounts receivable, trade**
 - Decreased because of collections of receivables from major titles launched late in the past fiscal year
- (2) Work-in-progress, Raw materials and supplies**
 - Decreased because of valuation losses resulting mainly from restructuring of the Pachinko & Pachislo business
- (3) Work-in-progress for game software**
 - Continued to increase because of progress in developing titles to be released in FY2010 and afterward

Highlights of FY 2009 Consolidated Balance Sheet (2)

(Millions of yen)

| | 2009/3 | 2010/3 | Difference |
|-----------------------------------|--------|---------|------------|
| Notes and accounts payable, trade | 9,682 | 3,477 | -6,205 |
| Treasury stock | -8,015 | -13,141 | -5,126 |

(4) Notes and accounts payable, trade

- Decreased because of the payment of procurement expenses associated with major titles launched late in the past fiscal year

(5) Treasury stock

- Purchase of treasury stock

In August 2009 (1,471,900 shares 2,703 million yen)

In January 2010 (1,502,700 shares 2,420 million yen)



4. Consolidated Cash Flows

Fiscal Year 2009 (Apr. 09-Mar. 10)

FY 2009 Consolidated Statements of Cash Flow

(Millions of yen)

| | 2009/3 | 2010/3 | Difference |
|--------------------------------------|--------|---------|------------|
| Cash flows from operating activities | -551 | 14,320 | 14,871 |
| Cash flows from investing activities | -2,715 | -1,618 | 1,097 |
| Cash flows from financing activities | -342 | -10,747 | -10,405 |

(1) Cash flows from operating activities

- Cash was provided mainly by a decrease in trade receivables (20,897 million yen) that was offset somewhat by a decrease in accounts payable (-5,952 million yen)

(2) Cash flows from investing activities

- Decreased mainly because payment for acquisitions of tangible fixed assets (-1,693 million yen)

(3) Cash flows from financing activities

- Cash was used mainly for the purchase of treasury stock (-5,125 million yen) and the repayment of short-term borrowings (-2,555 million yen)



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